

**Remarks**

The Office Action mailed October 20, 2003 and made final has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-4, 6-11, 13-16, and 18-27 are pending in this application. Claims 1-4, 6-11, 13-16, and 18-27 stand rejected. Claims 5, 12, and 17 have been cancelled.

In accordance with 37 C.F.R. 1.136(a), a one-month extension of time is submitted herewith to extend the due date of the response to the Office Action dated October 20, 2003 for the above-identified patent application from January 20, 2004 through and including February 20, 2004. In accordance with 37 C.F.R. 1.17(a)(2), authorization to charge a deposit account in the amount of \$110.00 to cover this extension of time request also is submitted herewith.

The rejection of Claims 1-4, 6-11, 13-16, 18-23, and 27 under 35 U.S.C. § 102(b) as being anticipated by Jackson et al., Strategic Database Marketing (1996) (referred to herein as “Jackson”) is respectfully traversed.

Applicants respectfully submit that Jackson does not describe or suggest the claimed invention. As discussed below, at least one of the differences between Jackson and the present invention is that Jackson neither describes nor suggests using a targeting engine to determine a sequential order for combining models to define a target group. Rather, Applicants respectfully submit that Jackson teaches away from the present invention.

More specifically, Jackson describes at page 180, section 1 that “Based on multiple linear regression analysis, the retailer again found out that the most important predictor was spending one hundred dollars on books...A value of 10 points was assigned to that variable...The second most important predictor was the gender of the customer, with a value of 8 points attributed to females...Finally, interests in gourmet cooking and wine were assigned point values of 5 and 6, respectively.” However, Jackson does not teach determining a sequential order for combining models. Rather, Jackson describes a process wherein the predictors are weighted, but the sequential order of asking the predictor questions or adding the predictor scores is not

determined and does not effect the final results. The Office Action appears to equate the laws of mathematics (i.e., the order in which an equation is added, subtracted, multiplied and/or divided), which are applied in Jackson, with “determining a sequential order”, and the quantities included within an equation to the “models” recited in the present claims. However, as noted in the Office Action, the laws of mathematics are fixed (i.e., predetermined), and therefore, the sequential order in which quantities included within an equation are added or subtracted do not have to be determined. Moreover, as explained below, mere quantities included within an equation do not describe or teach a model as recited in the present claims. Accordingly, neither Jackson nor the laws of mathematics describe or suggest determining a sequential order for combining models as recited in the present claims.

Furthermore, at least one other difference between Jackson and the present invention is that Jackson neither describes nor suggests combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer. Rather, in Jackson, weighted predictors can be combined in any order because the output is merely a total of the points assigned to the predictors found in each potential customer, and is not based on the order in which the models are combined. Thus, in contrast to the present invention, the output in Jackson does not include a list of customers satisfying each of the combined models, but rather the output in Jackson includes all of the potential customers in a database with a total point number assigned wherein the total point number for each potential customer would not necessarily indicate which predictors applied to the particular potential customer.

Additionally, Jackson does not describe or suggest an initial customer group list that has a high profit end, a moderate profit section, and a low profit end, wherein the high profit end includes customers having a highest projected profitability, the low profit end includes customers having a lowest projected profitability, and the moderate profit section includes a profitability baseline, wherein the determined sequential order maximizes a number of customers included

between the high profit end and the profitability baseline, and wherein the target group includes the customers included between the high profit end of the list and the profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero.

Jackson generally describes a business-based approach to strategic database marketing, wherein historical data collected by a marketer is stored in historical data management databases such that the historical data can be later used by the marketer. (See pages 27-28.) Jackson also describes a recency, frequency, and monetary (RFM) analysis that allows a marketer to identify a business' "best customers" based upon the frequency and sales dollars that the customers have spent with the business. The RFM data can also be used to create a lifetime value model of customers, which can project the value of a customer over a period of years. (See pages 40-41.) Jackson further describes combining models so that a marketer can determine the most desirable segments upon which to focus the allocation of marketing resources. (See pages 184-185.) The database-driven marketing programs enable a business to target a specific product to the correct consumer in order to make a sale. (See page 39.)

Claim 1 recites a method for increasing the efficiency of marketing campaigns using a targeting engine for analyzing data input and generating data output, the method includes "using historical data to determine a target group based upon a plurality of models embedded within and executed by the targeting engine wherein each model is a predicted customer profile...using the targeting engine to determine a sequential order for combining the models to define the target group...combining the models in the determined sequential order to define an initial customer group, the initial customer group includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer, the list includes a high profit end, a moderate profit section, and a low profit end, the high profit end including customers having a highest projected profitability, the low profit end including customers having a lowest projected

profitability, the moderate profit section including a profitability baseline, wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline, the target group includes the customers included between the high profit end of the list and the profitability baseline...using the targeting engine to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero...and directing the marketing campaign towards the target group determined by the models.”

Jackson does not describe or suggest a method for increasing the efficiency of marketing campaigns as recited in Claim 1. More specifically, Jackson does not describe or suggest using a targeting engine to determine a sequential order for combining models to define a target group.

Furthermore, Jackson does not describe or suggest combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer.

Additionally, Jackson does not describe or suggest an initial customer group list that includes a high profit end, a moderate profit section, and a low profit end, such that the high profit end includes customers having a highest projected profitability, the low profit end includes customers having a lowest projected profitability, and the moderate profit section includes a profitability baseline, wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline, and wherein the target group includes the customers included between the high profit end of the list and the profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero.

Rather, Jackson describes a business-based approach to strategic database marketing that uses historical data and models to generate data that is then analyzed by a marketer to determine the most desirable segments upon which to focus the allocation of marketing resources.

According to page 3 of the Office Action, Jackson describes a targeting engine that “solves each model in a specific order to determine a score for each customer (two sequential orderings occur: the variables within these models are weighted and ordered in a specific sequence and the primary model is applied first and then the secondary model).” Applicants respectfully submit that the “two sequential orderings” referred to in the Office Action do not describe or teach using a targeting engine to determine a sequential order for combining models to define a target group. In fact, as explained below, Applicants respectfully submit that Jackson teaches away from the present invention because Jackson teaches that the order in which the predictors are combined makes absolutely no difference to the final output.

Jackson describes at page 180, section 1 that “Based on multiple linear regression analysis, the retailer again found out that the most important predictor was spending one hundred dollars on books...A value of 10 points was assigned to that variable...The second most important predictor was the gender of the customer, with a value of 8 points attributed to females...Finally, interests in gourmet cooking and wine were assigned point values of 5 and 6, respectively.” In other words, Jackson describes a process that assigns weighted points to each predictor, evaluates each potential customer by applying the predictors, and then totals the points for each potential customer based on the predictors to generate an output.

The Office Action appears to suggest that the weighting of the predictors in Jackson somehow describes determining a sequential order for combining models to define a target group. However, Applicants respectfully submit that although the predictors in Jackson are weighted, the order of asking the predictor questions and the order of adding the predictor scores is not determined and does not effect the final results. Rather, the predictors can be combined in any order because the output is merely a total of the points assigned to the predictors found in each potential customer, and is not based on the order in which the models are combined. In other words, Jackson does not describe or teach determining a sequential order for combining

models, but rather, Jackson merely describes weighting certain predictors more heavily than others and then combining (i.e., adding) these predictors in any order to generate a point total.

The Office Action also suggests at page 14 that the “laws of mathematics” (i.e., the order in which an equation is added, subtracted, multiplied and/or divided), which are applied in Jackson in the context of adding predictors together to generate a point total for each potential customer, describe determining a sequential order for combining models to define a target group. The Office Action further suggests at page 14 that the quantities within an equation, which are “ruled by the laws of mathematics”, describe a model as recited in the present claims.

Applicants traverse these suggestions. First, Claim 1 recites that a “model is a predicted customer profile”. Applicants respectfully submit that mere quantities within an equation do not describe or teach a predicted customer profile. Second, and as noted in the Office Action, the laws of mathematics are fixed (i.e., predetermined), and therefore, the sequential order in which quantities included within an equation are added or subtracted do not have to be determined. Accordingly, neither Jackson nor the laws of mathematics describe or suggest determining a sequential order for combining models as recited in the present claims.

As further noted by the Office Action, Jackson discusses that “some companies will use a primary model to predict profitability and a related model to determine the bad debt tendency among their customers.” (See page 184, section 1). However, contrary to what is suggested by the Office Action, the discussion in Jackson of using a primary model to predict profitability and another related model to determine bad debt does not describe or suggest determining a sequential order for combining models. Although Jackson discusses combining models, Jackson does not describe or teach determining a sequential order for combining models and then combining the models in the determined sequential order to define a target group.

Furthermore, Jackson does not describe or suggest combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer. Rather, in

contrast to the present invention, the output in Jackson does not include each potential customer that satisfies the combined models, but rather the output in Jackson includes all of the potential customers in a database with a total point number assigned wherein the total point number for each potential customer would not necessarily indicate which predictors applied to the particular potential customer. Thus, Applicants respectfully submit that Jackson does not describe nor teach combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models.

Additionally, Jackson does not describe or suggest combining the models in the determined sequential order wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline. As discussed above, Jackson does not describe or teach combining models in a determined sequential order, but rather, Jackson merely describes weighting certain predictors more heavily than others and then combining (i.e., adding) these predictors in any order to generate a point total for each potential customer. Further, Jackson does not mention maximizing a number of customers included between a high profit end and a profitability baseline. Accordingly, Jackson does not describe or teach combining models in a determined sequential order wherein the determined sequential order maximizes a number of customers included between a high profit end and a profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero. Accordingly, Applicants respectfully submit that Claim 1 is patentable over Jackson.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 102(b) rejection of Claim 1 be withdrawn.

Claims 2-4, 6-10, and 22 depend, directly or indirectly, from independent Claim 1. When the recitations of Claims 2-4, 6-10, and 22 are considered in combination with the recitations of

Claim 1, Applicants submit that dependent Claims 2-4, 6-10, and 22 likewise are patentable over Jackson.

Claim 11 recites a system configured to increase efficiency of marketing campaigns that includes “a customer database which includes customer demographics and historical data...a targeting engine for analyzing data input and generating data output, said targeting engine having a plurality of models stored thereon wherein each model is a predicted customer profile, said targeting engine configured to access said historical data, determine a sequential order for combining said models to define the target group, and combine said models in the determined sequential order to define an initial customer group, the initial customer group includes a list of customers satisfying each of said combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer, the list includes a high profit end, a moderate profit section, and a low profit end, the high profit end including customers having a highest projected profitability, the low profit end including customers having a lowest projected profitability, the moderate profit section including a profitability baseline, wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline, the target group includes the customers included between the high profit end of the list and the profitability baseline, said targeting engine further configured to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero...and a graphical user interface for accessing customer database and displaying data output including the target group.

Jackson does not describe or suggest a system configured to increase efficiency of marketing campaigns as recited in Claim 11. More specifically, Jackson does not describe or suggest a targeting engine configured to determine a sequential order for combining models to define a target group.

Furthermore, Jackson does not describe or suggest the targeting engine configured to combine the models in the determined sequential order to define an initial customer group that

includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer.

Additionally, Jackson does not describe or suggest an initial customer group list that includes a high profit end, a moderate profit section, and a low profit end, such that the high profit end includes customers having a highest projected profitability, the low profit end includes customers having a lowest projected profitability, and the moderate profit section includes a profitability baseline, wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline, and wherein the target group includes the customers included between the high profit end of the list and the profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine further configured to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero.

Rather, Jackson describes a business-based approach to strategic database marketing that uses historical data and models to generate data that is then analyzed by a marketer to determine the most desirable segments upon which to focus the allocation of marketing resources.

As discussed above, Applicants respectfully submit that the “two sequential orderings” referred to in the Office Action as being disclosed by Jackson (i.e., the predictors being weighted and ordered in a specific sequence and a primary model is applied first and then a secondary model) do not describe or teach a targeting engine configured to determine a sequential order for combining models to define a target group. The Office Action suggests that the weighting of the predictors in Jackson somehow describes determining a sequential order for combining models to define a target group. However, Applicants respectfully submit that although the predictors in Jackson are weighted, the sequential order of asking the predictor questions and the sequential order of adding the predictor scores are not determined and do not effect the final results.

Rather, the predictors can be combined in any order because the output is merely a total of the points assigned to the predictors found in each potential customer, and is not based on the order in which the models are combined. In other words, Jackson does not describe or teach determining a sequential order for combining models, but rather, Jackson merely describes weighting certain predictors more heavily than others and then combining (i.e., adding) these predictors in any order to generate a point total.

Furthermore, contrary to what has been suggested by the Office Action, the “laws of mathematics” (i.e., the order in which an equation is added, subtracted, multiplied and/or divided) do not describe or suggest a target engine configured to determine a sequential order for combining models to define a target group. Additionally, Applicants respectfully submit that mere quantities within an equation do not describe or teach the models recited in the present claims. Accordingly, neither Jackson nor the laws of mathematics describe or suggest determining a sequential order for combining models as recited in the present claims.

Moreover, although Jackson discusses at page 184, section 1 that “some companies will use a primary model to predict profitability and a related model to determine the bad debt tendency among their customers”, Jackson does not describe or teach a targeting engine configured to determine a sequential order for combining models and then combining the models in the determined sequential order to define a target group.

Applicants also respectfully submit that Jackson does not describe or suggest the targeting engine configured to combine models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models. Rather, in contrast to the present invention, the output in Jackson does not include each potential customer that satisfies the combined models, but rather the output in Jackson includes all of the potential customers in a database with a total point number assigned wherein the total point number for each potential customer would not necessarily indicate which predictors applied to the particular potential customer. Thus, Jackson does not describe or teach combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models.

Additionally, Jackson does not describe or suggest combining the models in the determined sequential order wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline. As discussed above, Jackson does not describe or teach combining models in a determined sequential order, but rather, Jackson merely describes weighting certain predictors more heavily than others and then combining (i.e., adding) these predictors in any order to generate a point total for each potential customer. Jackson therefore does not describe or teach combining models in a determined sequential order wherein the determined sequential order maximizes a number of customers included between a high profit end and a profitability baseline. Accordingly, Applicants respectfully submit that Claim 11 is patentable over Jackson.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 102(b) rejection of Claim 11 be withdrawn.

Claims 13-16, 18-21, 23, and 27 depend, directly or indirectly, from independent Claim 11. When the recitations of Claims 13-16, 18-21, 23, and 27 are considered in combination with the recitations of Claim 11, Applicants submit that dependent Claims 13-16, 18-21, 23 and 27 likewise are patentable over Jackson.

For at least the reasons set forth above, Applicants respectfully request that the 35 U.S.C. § 102(b) rejection of Claims 1-4, 6-11, 13-16, 18-23, and 27 be withdrawn.

The rejection of Claims 24-26 under 35 U.S.C. § 103(a) as being unpatentable over Jackson et al., Strategic Database Marketing (1996) (referred to herein as “Jackson”) is respectfully traversed.

Claims 24 and 25 depend from independent Claim 1. Claim 1 is recited hereinabove.

Jackson does not describe or suggest a method for increasing the efficiency of marketing campaigns as recited in Claim 1. More specifically, Jackson does not describe or suggest using a targeting engine to determine a sequential order for combining models to define a target group.

Furthermore, Jackson does not describe or suggest combining the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer.

Additionally, Jackson does not describe or suggest an initial customer group list that includes a high profit end, a moderate profit section, and a low profit end, such that the high profit end includes customers having a highest projected profitability, the low profit end includes customers having a lowest projected profitability, and the moderate profit section includes a profitability baseline, wherein the determined sequential order maximizes a number of customers included between the high profit end and the profitability baseline, and wherein the target group includes the customers included between the high profit end of the list and the profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero.

Rather, Jackson describes a business-based approach to strategic database marketing that uses historical data and models to generate data that is then analyzed by a marketer to determine the most desirable segments upon which to focus the allocation of marketing resources. As noted by the Office Action at page 12, Jackson does not “disclose applying each subsequent model included in the determined sequential order to a segment generated by the combination of each prior two models to define a target group.” In fact, Applicants respectfully submit that Jackson teaches away from this aspect of the present invention.

More specifically, Jackson describes a process that assigns weighted points to each predictor, evaluates each potential customer by applying the predictors, and then totals the points for each potential customer based on the predictors to generate an output. Although the predictors in Jackson are weighted, the order of combining the predictors is not determined

because the output is merely a total of the points assigned to the predictors found in each potential customer, and is not based on the order in which the models are combined. Therefore, the output in Jackson does not include each potential customer that satisfies the combined models, but rather the output in Jackson includes all of the potential customers in a database with a total point number assigned wherein the total point number for each potential customer would not necessarily indicate which predictors applied to the particular potential customer. Accordingly, Applicants respectfully submit that Claim 1 is patentable over Jackson.

When the recitations of Claims 24 and 25 are considered in combination with the recitations of Claim 1, Applicants submit that dependent Claims 24 and 25 likewise are patentable over Jackson.

Claim 26 depends from independent Claim 11. Claim 11 is recited hereinabove.

As discussed above, Jackson does not describe or suggest a system configured to increase efficiency of marketing campaigns as recited in Claim 11. More specifically, Jackson does not describe or suggest a targeting engine configured to determine a sequential order for combining models to define a target group.

Furthermore, Jackson does not describe or suggest the targeting engine configured to combine the models in the determined sequential order to define an initial customer group that includes a list of customers satisfying each of the combined models and rank ordered by projected profitability wherein projected profitability is based on at least one of a probable response by a customer to the marketing campaign, attrition of the customer, and risk associated with the customer.

Additionally, Jackson does not describe or suggest an initial customer group list that includes a high profit end, a moderate profit section, and a low profit end, such that the high profit end includes customers having a highest projected profitability, the low profit end includes customers having a lowest projected profitability, and the moderate profit section includes a profitability baseline, wherein the determined sequential order maximizes a number of customers

included between the high profit end and the profitability baseline, and wherein the target group includes the customers included between the high profit end of the list and the profitability baseline.

Moreover, Jackson does not describe or suggest using the targeting engine further configured to determine the profitability baseline for the marketing campaign wherein the profitability baseline defines marginal returns for a customer equal to zero.

Rather, Jackson describes a business-based approach to strategic database marketing that uses historical data and models to generate data that is then analyzed by a marketer to determine the most desirable segments upon which to focus the allocation of marketing resources.

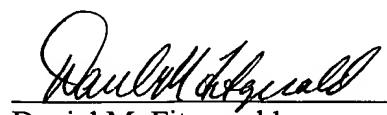
Accordingly, Applicants respectfully submit that Claim 11 is patentable over Jackson.

When the recitations of Claim 26 are considered in combination with the recitations of Claim 11, Applicants submit that dependent Claim 26 likewise is patentable over Jackson.

In addition to the arguments set forth above, Applicants further submits that the Section 103 rejection of Claims 24-26 is not a proper rejection. The mere assertion that such an apparatus would have been obvious to one of ordinary skill in the art does not support a *prima facie* obvious rejection. Rather, each allegation of what would have been an obvious matter of design choice must always be supported by citation to some reference work recognized as standard in the pertinent art, and Applicants given an opportunity to challenge the correctness of the assertion or the repute of the cited reference. Applicants have not been provided with the citation to any reference supporting the combination made in the rejection. The rejection, therefore, fails to provide the Applicants with a fair opportunity to respond to the rejection, and fails to provide the Applicants with the opportunity to challenge the correctness of the rejection. Therefore, Applicants respectfully request that the Section 103 rejection be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,

  
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